potential in the area; M/s. GEECL has invested about Rs. 7 crores in / the block awarded to it.

The exploration work can be started by the awardee company as per the provisions of the respective contracts after grant of Petroleum Exploration License (PEL) by the State Government concerned.

Expenditure by the Officials of CIL on Foreign Travel

2833. SHRI K.B. KRISHNAMURTHY: Will the Minister of COAL AND MINES be pleased to state:

(a) whether expenditure by the officials of Coal India Limited and its subsidiaries on foreign travel during the year 2000-2001 has come under severe censure by the Comptroller and Auditor General of India in his report for the year 2002;

(b) is so, a gist of comments made by the CAG in this regard; and

(c) what is the extent of loss to the national exchequer on account of these foreign visits by the officials of the CIL/subsidiaries, as estimated by the CAG in his report?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) and (b) Yes, Sir.The gist of CAGs comments on the expenditure on foreign travel by officials of CIL and Its subsidiaries is as under:

Para No.	Comments
2.1.1	Excess payment of per diem allowance/daily allowance and entertainment allowance.
2.1.2	Excess payment of airport free allowance. Payment of
2.1.3	personal expenses. Excess payment to DA during
2.1.4	training period Non-rendition of accounts.
2.1.5	
2.1.6	Adjustment of expenses incurred on visit to countries not authorised.
2.1.7	Tour without approval of the competent authority. Non-
2.1.8	submission of TA bills.

(c) As per CAG report, the estimated amount of loss is Rs. 124.02 Lakh ($3,14,080.72)

Revision of Coal Royalty within a Time Frame

2834. DR. DASARI NARAYANA RAO: Will the Minister of COAL AND MINES be pleased to state:

(a) whether it is a fact that there is no specific time frame within which Government is expected to revise the rates of royalty on Goal due to which States where Coal is produced have to suffer;

(b) if so, the reasons therefor;

(c) when the royalty rates on coal were last revised; and

(d) what ren>edial measures Government propose to take to make it mandatory to revise the royalty on coal within a time frame?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) and (b) Royalty on minerals including coal is payable under Section 9(1) of the Mines and Minerals (Development & Regulation) Act, 1957 by the holder of a mining lease. Section 9(3) of the MMDR Act, 1957 empowers the Central Government to enhance or reduce the royalty rates in respect of any mineral by notification in the Official Gazette with effect from such date as may be notified. The proviso to Section 9(3) of the Act prevents the Central Government from enhancing the rate of royalty in respect of any mineral more than once during any period of three years.

(c)The royalty rates on coal were last revised on 16.8.2002.

(d) The Central Government er>deavours to revise the royalty rates on coal every 3 years. However, factors like increase in incon^ of the producing states with increase in production, their demand for further increase, the capacity of the major coal consuming sectors like power, iron & steel & cement etc. to bear the increase, competition from imported coal, financial health of the Government coal companies and the overall impact on the economy are taken into account while deciding the quantum and timing of revision in royalty rates.